

THE NIGERIAN EDUCATIONAL SYSTEM AND RETURNS TO EDUCATION

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Abstract

While each tier of education has at various times been the concurrent (joint) responsibility of both Federal and state governments, the former has historically been much more involved at the post secondary level. The shares of Federal Government recurrent and capital expenditures by level of education between 1996 and 2002. Over the period, the share for the (24) Federal universities has varied between roughly 40 and 50 percent of total Federal expenditures, while those for the (16) polytechnics and (20) colleges of education have remained fairly constant (apart from one year) at around 17 percent and 11 percent respectively. Overall, during the whole period, the tertiary education sub sector has received between 68 percent and 80 percent of the total Federal expenditures for education.

JEL Classification: I20, I22, O55

Keywords: Educational System, Returns to Education, Universities Financing in Nigeria.

1. Introduction

Education in Nigeria is more of a public enterprise that has witnessed government complete and dynamic intervention and active participation (Federal Republic of Nigeria, 1981). It is the view of the formulated education policy in Nigeria to use education as a vehicle in achieving national development. Education being an instrument of change, in Nigeria education policy has been a product of evolution through series of historical developments.

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The National Policy on Education in Nigeria was launched in 1977. The orientation of the policy is geared towards self-realization, individual and national efficiency, national unity etc. aimed at achieving social, cultural, economic, political, scientific and technological development. In 1985, the objectives of the policy were broadened to include free primary education among others. As noted by Anyanwu et al. (1999), this policy has been reviewed from time to time.

Until 1984, the structure of Nigeria education system was 6 years of primary schools, 5 to 7 years of post primary schools (Secondary, Teacher Training College and sixth form) and 4 to 6 yrs of tertiary education (College of education, polytechnics, College of Technology and University education). From 1985, the structure that emanated can be classified thus, pre-primary or kindergarten education (2 to 3 yrs), for the children of ages 3 to 5 years the primary school which is of 6 years period for children of ages 6 to 11 yrs, the post primary education which is of 6 years duration but divided unto two halves (3 years of Junior Secondary School and 3 years of Senior Secondary School) and the 4 to 6 of tertiary education level. This is called the 6-3-3-4 system (Anyanwu et al., 1999). Since the inception of the Obasanjo led administration in 1999, a Universal Basic Education Scheme was launched in 1999. The specific targets of the scheme are, total eradication of illiteracy by the year 2010 and increase in adult literacy rate from 57% to 70% by 2003 (FRN, 2000).

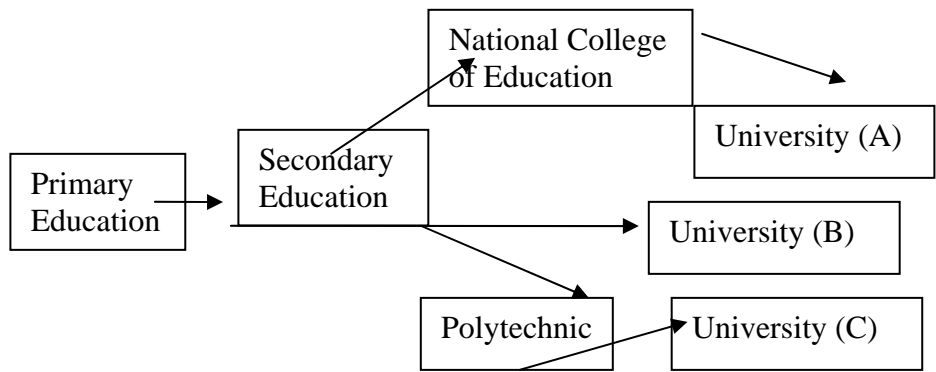
2. Sequence of Higher Educational Levels in Nigeria

In Nigeria, there is a sequence of higher educational levels. Three possible channels are illustrated in figure 1.

The first channel assumes that a graduate went through NCE and then to the university. The other two channels are the more common ones, that is, those who went straight from secondary school to university and those who went through polytechnics to university. This assumption is predicated on experience from the labour markets

and the years of schooling involved in each higher education levels, which place a higher value on university, polytechnics and NCE, in that order.

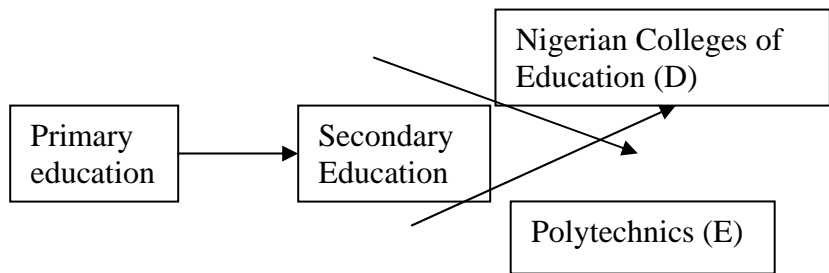
Figure 1: Possible Channels to Higher Education in Nigeria



Source: Adapted from Okuwa (2004)

Second and as an alternative, the other higher levels of education (Nigerian colleges of education and the polytechnics) are alternative routes after secondary education. Figure 2 illustrates this:

Figure 2: Alternative Routes to Higher Education



Source: Adapted from Okuwa (2004)

With the first assumption, we are able to analyze the returns to an additional year of schooling among the higher education levels. The second proposition enables us to examine the returns on higher education in relation to lower educational level, and then compares the returns of the three channels of higher education. Out of the five possible channels of educational attainment, the most prevalent route is B, that is, from primary education to secondary education to university education. This is so because this route takes a shorter time to achieve an educational goal and cost less than any of the other routes. Most of the students who finish secondary school education and enter a polytechnic (for Ordinary National Diploma) or colleges of education do not stop these levels; they further their education by seeking university education. The prevalence of route B, followed by E, D, and A is supported by the number of student enrolled into these higher institutions.

3. Profile of Federal Government Expenditure on Education in Nigeria¹

Education allocation as a percentage of total budgets ranged from 3.3% in 1999 to 9.88% in 1986. A close look at the distribution shows that the pattern of government budgetary allocation to education as a percentage of total budget was not consistent. Instead of maintaining an increasing proportion of the yearly budget, it has been largely fluctuating since introduction of SAP in 1986. Regardless of incessant strikes and negotiation to stimulate governments to increase the proportion, the proportion has been below 8% apart from 1994 and 2002, which were slightly above 9%.

Since the oil crisis in the eighties, the proportion of capital budget allocated to education has been consistently lower than the proportion of recurrent expenditure. Over the years, the government capital expenditure allocated to education as a percentage of total capital budget ranged from as low as 1.71 in 1999 and not up to 9% in all cases. Like total budget, the proportion was also not consistent.

¹ This subsection benefits substantially from Hinchliffe (2002).

In 1998, expenditures were equivalent to 2.3 percent of GDP and to 14.2 percent of the total expenditures of the three tiers of government. A similar but more comprehensive exercise undertaken for 1962 indicated a share of GDP of 3.6 percent and of total government expenditure of 18.2 percent. Further, on average for 19 sub-Saharan African countries in the mid 1990s, education expenditures were equal to 4.7 percent of GDP and 19.6 percent of government expenditure.

Precisely, Federal Government expenditures on education are below 10 percent of its overall expenditures (see Table 1). Overall, the shares have varied between 9.9 and 7.6 percent and the trend has been largely downward. Typically, between 70 and 80 percent of expenditures are for recurrent activities. However, in 2000, the capital allocation increased to 45 percent of the total, in line with the overall large increase in capital expenditure in the Federal Government's budget.

Table 1: Federal Government Expenditures on Education as Share of Total Federal Expenditure, 1997–2002 in Percentages.

	1997	1998	1999	2000	2001	2002
Recurrent	12.3	12.0	11.7	9.4	9.5	9.1
Capital	6.1	7.5	5.0	8.5	6.0	6.0
Total	9.9	9.6	9.0	9.0	7.6	8.0

Source: Federal Government of Nigeria, Annual Budget (various years). Reported in Herbert (2002) and Hinchliffe (2002)

While each tier of education has at various times been the concurrent (joint) responsibility of both Federal and state governments, the former has historically been much more involved at the post secondary level. Table 2 presents the shares of Federal Government recurrent and capital expenditures by level of education between 1996 and 2002. Over the period, the share for the (24) Federal universities has varied between roughly 40 and 50 percent of total Federal expenditures, while those for the (16) polytechnics and

(20) colleges of education have remained fairly constant (apart from one year) at around 17 percent and 11 percent respectively. Overall, during the whole period, the tertiary education sub sector has received between 68 percent and 80 percent of the total Federal expenditures for education.

Table 2: Federal Government Expenditures Shares by level of Education, 1996–2002 in Percentages.

	1996	1997	1998	1999	2000	2001	2002
Tertiary	79.9	78.9	68.4	69.0	75.8	68.1	76.9
Universities	52.5	44.6	39.4	39.9	49.2	39.6	51.2
Polytechnics	16.2	23.2	17.0	18.5	17.0	16.6	16.0
Colleges of Education	11.2	11.1	12.0	10.6	9.6	11.9	9.7
Secondary	10.4	11.3	14.6	18.7	15.3	15.5	15.6
Primary	9.7	9.8	16.9	12.2	8.9	16.4	7.5

Source: Federal Government of Nigeria, Annual Budget (various years).
Reported in Herbert (2002) and Hinchliffe (2002)

In five out of the seven years, the allocation to secondary education has been above that for primary. The average shares have been 14.5 percent for secondary schooling and 11.5 percent for primary schooling. Federal government expenditures on secondary schooling are basically for the federal government colleges (unity schools), usually three of which are established in each state (80 in total so far) and the 16 federal secondary technical colleges. Allocations for primary schooling have been more adhoc resulting from specific initiatives. In the past three years, most have been for the construction of three classroom blocks and classroom renovation in each local government authority.

Allocations to the federal polytechnics and colleges of education have been much below those requested by the respective Boards. The data are only available to 1996 but in that year, the polytechnics received 47 percent of the requested recurrent budget and 55 percent of the capital request (Udeh, 2000). For colleges of education, the

allocations were 45 percent and 22 percent of the requests respectively.

It should also be noted that state governments also finance higher education in Nigeria but the magnitude of their finances on higher education varies according to the number of such institutions that are owned by such states.

4. Returns to education and education expenditure in Nigeria

Amaghionyeodiwe and Osinubi(2007) present the estimation of a model that measures the impact of education on wages in Nigeria, and conclude that there is a significant and positive effect of the educational level of workers on real wages.

Accordingly to the estimations by Barro and Lee(1999) Total Years of Education per adult (Tyr) was very low in Nigeria in 1999 (only 2.7). Guisan and Exposito(2002) compare this value with the African (3.4) and World (5.8) averages. The main suggestion, accordingly to these authors is to increase the educational level of population in Nigeria and generally in Africa, because it has been proved the important positive role of education in economic development and wellbeing. Guisan and Neira(2006), with an international sample of countries, show several important and positive effects, direct and indirect, of education on the value of real Gross Domestic Product per inhabitant, through the increase of productivity per worker, investment per inhabitant, industrial development and trade, among other variables. Those studies, among others, show that to improve the educational level of population is a priority for economic development.

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